

**HOUSE OF REPRESENTATIVES**  
**Roll Call**  
**NATURAL RESOURCES COMMITTEE**

DATE: 3-19-07

<u>NAME</u>	<u>PRESENT</u>	<u>ABSENT/ EXCUSED</u>
REP. WALTER MCNUTT, CHAIR	✓	
REP. RALPH HEINERT, VICE CHAIR	✓	
REP. RON ERICKSON, VICE CHAIR	✓	
REP. DUANE ANKNEY	✓	
REP. DEBBY BARRETT	✓	
REP. JILL COHENOUR	✓	
REP. SUE DICKENSON	✓	
REP. BETSY HANDS	✓	
REP. GORDON HENDRICK	✓	
REP. CAROL LAMBERT	✓	
REP. SCOTT MENDENHALL	✓	
REP. JP POMNICHOWSKI	✓	
REP. JOHN ROSS	✓	
REP. VERONICA SMALL-EASTMAN	✓	
REP. KENDALL VAN DYK	✓	
REP. CHAS VINCENT	✓	



**HOUSE STANDING COMMITTEE REPORT**

**March 20, 2007**

**Page 1 of 1**

Mr. Speaker:

We, your committee on **Natural Resources** recommend that **Senate Bill 131** (third reading copy -- blue) be concurred in.

Signed: *Walter McNutt Chair*  
*Representative Walter McNutt, Chair*

To be carried by Representative John (Jack) Ross

- END -

**Committee Vote:**

**Yes 16, No 0**

Fiscal Note Required \_\_\_\_

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*John*  
*3/20/07*



## HOUSE STANDING COMMITTEE REPORT

March 20, 2007

Page 1 of 4

Mr. Speaker:

We, your committee on **Natural Resources** recommend that **Senate Bill 25** (third reading copy - blue) be concurred in as amended.

Signed: *Walter J. McNutt, Chair*  
Representative Walter McNutt, Chair

To be carried by Representative Walter McNutt

**And, that such amendments read:**

1. Page 1, line 29 through page 2, line 2.

**Strike:** "(5)" on page 1, line 29 through "SAFETY." on page 2, line 2

2. Page 3.

**Following:** line 4

**Insert:** "(4) "Forest health concerns" means issues that can be addressed through management or harvest of merchantable or nonmerchantable trees and includes:

(a) forested lands that are overcrowded or stagnant and that are showing declining annual growth;

(b) wildland/urban interface areas where timber harvest or forest management is necessary to prevent catastrophic or other damage to forested lands, livestock, buildings, or other infrastructure;

(c) fire fuel buildup and treatment on forested lands;

(d) forested lands susceptible to imminent or repeated insect or disease attack and timber degradation;

(e) forested lands that are in a high state of decline or decay or are rapidly deteriorating;

(f) forested lands with high recreational use and high degradation risk; and

(g) forested lands under drought stress."

**Renumber:** subsequent subsections

**Committee Vote:**

Yes 13, No 3

Fiscal Note Required \_\_\_\_\_

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*flm*  
3/20/07

3. Page 4, line 4 through line 6.

**Strike:** "(3)" on line 4 through "VOLUME." on line 6

**Insert:** "(3) (a) If the department is addressing forest health concerns as provided in [section 4], the amount harvested may not be counted against the 10% maximum provided for in subsection (2) and may not be counted toward the department's annual sustained yield level.

(b) The department may not exceed 5% of the annual sustained yield when conducting contract harvesting or management activities that address forest health concerns."

**Insert:** "NEW SECTION. Section 4. Contract harvesting to address forest health concerns. All contract harvesting sales meant to address specific forest health concerns must be designed to:

(1) improve the overall health, productivity, and long-term revenue potential for the timber stand;

(2) be consistent with the state forest land management plan; and

(3) comply with all applicable state laws, rules, and regulations."

**Renumber:** subsequent sections

4. Page 4, line 17.

**Following:** "~~concerns.~~"

**Insert:** "The board shall evaluate each proposed contract harvest to determine if, in the board's judgment, contract harvesting will fulfill its duty to prudently obtain the maximum long-term revenue for the trust beneficiaries or to address forest health concerns or other environmental concerns."

5. Page 5, line 19.

**Strike:** "5"

**Insert:** "6"

6. Page 6, line 1.

**Strike:** "5"

**Insert:** "6"

7. Page 6, line 6.

**Following:** "concerns"

**Insert:** "or to address forest health concerns"

8. Page 6, line 24.

**Strike:** "5"

**Insert:** "6"

9. Page 7.

Following: line 11

**Insert:** "COORDINATION SECTION. Section 10. Coordination instruction. If either House Bill No. 231 or Senate Bill No. 75 and [this act] are passed and approved and if they contain a section that amends 77-1-613, then the sections amending 77-1-613 are void and 77-1-613 must be amended as follows:

~~"77-1-613. Deduction of portion of income received from Administrative costs associated with sale of timber from state trust lands -- creation of account. (1) There is an account in the state special revenue fund called the state timber sale account. Money in the account may be appropriated by the legislature for use by the department in the manner set out in this section to enhance the revenue creditable to the trusts. There must be placed in the account an amount from timber sales on state lands each fiscal year equal to the amount appropriated from the account for the corresponding fiscal year. The department may use funds appropriated from the trust land administration account, provided for in 77-1-108, for timber sale preparation, timber sale documentation, and contract harvesting costs as provided in [section 6 of Senate Bill No. 25].~~

~~(2) Timber sale program funds deducted under subsection (1) must be directly applied to timber sale preparation and documentation.~~

~~(3)~~(2) In order to increase the volume of timber sold at the earliest possible time while continuing to meet the requirements of applicable state and federal laws and in order to avoid unnecessary delays and extra costs that would result from increasing its permanent staff, the department may contract for services that will enable achievement of the purposes of this section and that will achieve the highest net return to the trusts.

~~(4)~~(3) To maximize overall return to the trusts, the timely salvage of timber must be considered. However, salvage timber sales may not adversely affect the implementation of green timber sales programs conducted pursuant to 77-5-201."

**Insert:** "COORDINATION SECTION. Section 11. Coordination instruction. If either House Bill No. 231 or Senate Bill No. 75 and [this act] are passed and approved, then [section 6 of this act] must read as follows:

"NEW SECTION. Section 6. Contract harvesting account -- authorized expenditures -- termination. (1) An account, called the contract harvesting account, must be created as a subaccount of the trust land administration account established in 77-1-108, in which to deposit gross revenue and for the payment of expenditures associated with contract harvesting sales. All proceeds of the sale of forest products from a contract harvesting sale must be deposited into this account and must be retained in the account to be used to pay for all contract harvesting costs, as provided in subsection (2).

(2) Expenditures may be credited against the account for

contract harvesting costs. Personnel services costs for state employees may not be credited against the account.

(3) An amount equal to the contract harvesting costs must be retained in the account and must be deducted from the gross proceeds to determine the net proceeds. The net proceeds from the sale of the forest products must be distributed to the appropriate trust.

(4) An initial account balance must be created by transferring up to \$500,000 of timber harvest revenue into the contract harvesting account from the trust land administration account.

(5) If the contract harvesting program is terminated or discontinued for more than 10 years, any balance remaining in the contract harvesting account in excess of \$500,000 must be distributed to the appropriate trust. The remaining balance up to \$500,000 must be transferred back to the trust land administration account provided for in 77-1-108."

**Renumber:** subsequent sections

10. Page 7, line 17.

**Strike:** "5"

**Insert:** "6"

11. Page 7, line 19.

**Strike:** "5"

**Insert:** "6"

- END -



**Montana House of Representatives  
Visitors' Register**

**NATURAL RESOURCES COMMITTEE**

Date 3-19-07

Bill Nos. SB 131, 145, 147, 213; Sponsor(s) Sen. Cobb & Sen. Shockley

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Name	Representing	Bill No.	Support	Oppose	Info.
Hank Goetz	Self-B. Challenge	SB131	✓		
Brett Waters	Central Valley, F.P.	SB147	✓		
DOUG NEIL	MT. ST. FIREMEN'S	SB147	✓		
John Semple	MT Fire Alliance	SB147	✓		
Kathy Brainer	OP	SB131	✓		
ROBERT THROSSELL	MT Wildlife Fed	SB131	✓		
Sheryl Wood	MACo	SB145 SB147	✓		
Candace West	OTJ / AGO	SB131	✓		
Kurt Swistwell	MT. ST. FIREMEN'S	SB147	✓		
Jay Bodner	MSGA/MASGD	SB 213		✓	
Tom Schu Htz	DMRL	SB131	✓		
Tom Schu Htz	DMRL	SB213			✓

Please leave prepared testimony with Secretary. Witness Statement forms are available if you care to submit written testimony.